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FM AMEMBASSY ASHGABAT  
TO RUEHC/SECSTATE WASHDC PRIORITY 3552  
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE  
RUCNCIS/CIS COLLECTIVE  
RUCNMEM/EU MEMBER STATES COLLECTIVE  
RUEHAK/AMEMBASSY ANKARA 5732  
RUEHBJ/AMEMBASSY BEIJING 3447  
RUEHKO/AMEMBASSY TOKYO 3311  
RUEHIT/AMCONSUL ISTANBUL 3975  
RUEKJCS/JOINT STAFF WASHDC  
RUEAIIA/CIA WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC  
RHEFDIA/DIA WASHDC  
RHEBAAA/DEPT OF ENERGY WASHDC  
RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEKJCS/SECDEF WASHINGTON DC  
RUCNDT/USMISSION USUN NEW YORK 1176  
RUEHVEN/USMISSION USOSCE 3955

C O N F I D E N T I A L ASHGABAT 001253

SIPDIS

STATE FOR SCA/CEN; EEB; NEA/IR  
ENERGY FOR EKIMOFF/BURPOE/COHEN  
COMMERCE FOR EHOUSE

E.O. 12958: DECL: 10/01/2019  
TAGS: [EPET](#) [ECON](#) [PGOV](#) [EINV](#) [BTIO](#) [TX](#)  
SUBJECT: TURKMENISTAN: CHEVRON EXPECTED MORE FROM MEETING  
WITH TURKMEN PRESIDENT

REF: ASHGABAT 1159

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (b) and (d).

11. (C) SUMMARY: Chevron was one of several U.S. companies that recently had face-to-face meetings with Turkmen President Gurbanguly Berdimuhamedov in New York on the margins of the UN General Assembly. The Chevron rep was visibly disappointed that the meeting did not result in a new onshore deal for the company, and he shared his frustration that Chevron had invested two years in Turkmenistan with "little to show for it." He repeated that Chevron "knew the drill" when it came to appealing to the Turkmen President's ego. The Chevron rep, nevertheless, stated that the company intended to push forward for now. However, he was not sure how long Chevron could stay committed to Turkmenistan, if the GOTX would not take serious steps toward a deal (reftel).  
END SUMMARY.

NO DEAL IN NEW YORK

12. (C) Chevron's representative in Ashgabat met with Charge on September 30 to discuss Turkmen President Berdimuhamedov's recent meeting with Chevron's VP for Business Development in New York. The Chevron rep was unhappy about the Turkmen President's insistence on developing onshore hydrocarbon resources with state-owned companies during the New York meeting in September. The Chevron rep noted that the Chinese National Petroleum Company (CNPC) had an onshore production agreement, and felt that Chevron deserved access to onshore gas fields as well. He admitted that CNPC started "small" in Turkmenistan by repairing oil wells in Western Turkmenistan, and providing drilling equipment to Turkmen national gas and oil companies. It was only then that CNPC received a waiver of the Turkmen policy that bans foreign companies from onshore gas production. He argued that rumors abound in Ashgabat that the Chinese are getting "too big for their britches," and that GOTX officials had reported the Turkmen President had ordered a temporary freeze on contracts

with Chinese companies.

#### AN INVITATION FROM THE PRESIDENT

13. (C) Despite no obvious deliverable from the New York meeting with Berdimuhamedov, the Chevron rep added that the president invited Chevron's VP for Business Development to Ashgabat for Turkmenistan Independence Day festivities on October 27. He elaborated that although the VP for Business Development was not the CEO, the Turkmen president liked him and referred to the Chevron VP as "his cool, little brother," (since their birthdays are near each other) adding the two have met together about five times.

14. (C) The Chevron rep then surprisingly explained that the timing was not good for the Chevron VP, and Chevron planned to send a letter regretting the invitation of the president, or at best Chevron would try to send someone else. The Charge explained to the Chevron rep, that the personal relationship between the president and the Chevron VP had reached a high enough level that the Turkmen president personally extended an invitation to return to Ashgabat by the end of the month, and that if Chevron was truly serious about doing business in Turkmenistan, the company would reconsider the VP's attendance. Not attending could send a negative signal to the president, and might even be viewed as an insult. The Charge suggested that attending the Independence Day events at the president's request might even provide Chevron another opportunity to bring up its business proposal with Berdimuhamedov.

#### ADDITIONAL POSITIVE SIGNS

15. (C) After mentioning that he was not sure how long Chevron could remain in the country if no deal was imminent, the Chevron rep admitted he did not fully realize the importance of the president's personal invitation and the significance it might have in keeping Chevron on the president's short list of favorite, foreign energy companies. In turn, he expressed Chevron's willingness to host the president in California, while admitting that a "President of Turkmenistan Day" in a California city might not be a bad idea, as it would be sure to get Berdimuhamedov's attention. In addition, he reported he had a meeting with Deputy Chairman for Oil and Gas Baymyrat Hojамuhammedov to further discuss Chevron's proposal and was told that Chevron could request future meetings with Hojамuhammedov without a dip note from the Embassy. The Charge told the Chevron rep that this was an additional sign from the GOTX that it valued its relationship with Chevron.

16. (C) COMMENT. The Chevron rep's initial assessment regarding the success of the New York meeting with Berdimuhamedov was based on the notion that Chevron had paid its dues over the last two years; therefore, it deserved a deal with the GOTX in the nearest future. In reality, paying one's dues to the Turkmen involves a long-term commitment based on personal relationships, such as the one developing between Berdimuhamedov and the Chevron VP. It turns out, Chevron's recent reports regarding its progress toward a deal are extremely positive. Convincing U.S. companies of the importance of maintaining the forbearance and the thick skin necessary for doing business with the Turkmen, however, remains a challenge. END COMMENT.

CURRAN